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TAGS: PREL KPAL ENRG JO IS SY

SUBJECT: STAFFDEL DIAMOND DISCUSSES PEACE PROCESS, SYRIA,
NUCLEAR POWER IN JORDAN

Classified By: Ambassador David Hale
for reasons 1.4 (b) and (d).

¶1. (C) Summary: During the visit of Staffdel Diamond to Jordan January 6-7, the group discussed the peace process, Jordanian relations with Syria, Iraqi refugee issues, and nuclear energy with Jordanian officials. Interlocutors stressed the need for concrete steps that would create immediate tangible benefits for Palestinians rather than more talk about process. They noted that the recent donor's conference was a step in the right direction, but the details have yet to be worked out. In terms of Jordan's role in negotiations, compensation for Palestinians (and those who hosted them) will be its main concern, followed by Jerusalem, security, and water as ancillary issues. Recent indications by Syria that it is looking to rejoin the moderate Arab consensus will have to be demonstrated by actions in Lebanon and elsewhere before they are taken seriously. A visa regime for Iraqis is set to be implemented in February. Jordan's pursuit of nuclear power is a move towards energy independence - the need for which is heightened by the rise in oil prices and the abandonment of subsidies. End Summary.

Israel, the Palestinians, and Jordan

¶2. (C) During the January 6 - 7 visit to Jordan of Staffdel Diamond (comprised of Howard Diamond, Greg McCarthy, and Matthew Zweig, all of the House Foreign Affairs Committee), the group met with Bisher Khasawneh, head of the Europe and Americas Bureau at MFA; Nawaf Tal, head of the Negotiations Coordination Bureau at MFA (who has the lead on Israel-Palestinian issues); and Nasser Judeh, State Minister for Media and Communications. Starting the discussion, Europe and Americas Bureau Chief Bisher Khasawneh said that Jordan "can't afford for this process to be open-ended". He saw the recent Israeli announcements on settlement activity as a gift to the skeptics who see the Annapolis process as just another set of empty promises. There is a "process fatigue" in Jordan and the region, and concern that Israeli actions are creating a further fait accompli effect.

¶3. (C) Khasawneh stressed that tangible outcomes remain the key to success in the peace process. Jordan is looking for actions that the government can point to as progress - fewer roadblocks, economic reform, and release of tax revenue to the Palestinian Authority. Israel recently announced that some forty checkpoints were removed. Negotiations Bureau Chief Nawaf Tal claimed that these were phantom checkpoints - that there is no evidence of their existence prior to Israel's announcement that they were "removed." In this context, progress will be measured by getting rid of real checkpoints, releasing more of the Palestinians who are in Israeli jails, and producing economic measures that will show Palestinians that they have a stake in peace.

¶4. (C) Khasawneh and Tal stated that the President's visit is a good chance for Israel to move forward with these

confidence-building measures. Pointing to the Oslo accords as an example, they stressed that the concrete moves on the ground were far more important than talk about framework agreements and general principles. State Minister for Media and Communications Nasser Judeh said that the "substance, not the form" is the main yardstick of progress at this point. Khasawneh, Tal, and Judeh all said that the United States has a role to play in monitoring the progress of confidence-building measures and acting as a guarantor. Tal pointed out that the Palestinian Authority does not have the institutional capacity to monitor all of these facets on its own.

¶15. (C) Speaking about the recent international meeting on aid to the Palestinians, Tal said that initial signs were promising, but that the details have yet to be worked out. There is concern in Jordan and on the Palestinian side that much of the funding is tied up in projects, not more flexible cash grants. The total amount of assistance also fell short of Palestinian expectations. The Jordanian delegation to the talks also heard about Palestinian concern over how the funds would be delivered - through the Islamic Development Bank or other avenues.

¶16. (C) Turning to Jordan's expectations and role in negotiations, Khasawneh and Tal stated that the status of Palestinian refugees continues to be Jordan's primary issue of concern. Since Palestinians are "a peculiar figure" in Jordanian politics (as they have citizenship rights, but are still linked to another country in the eyes of most East Bankers), the situation of the Palestinian diaspora after a peace agreement has direct implications on Jordan's political landscape and national security. Khasawneh opined that Jordanians "consider themselves realists" when it comes to

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the right of return, and recognize that the "modalities won't allow" for a mass return to a Palestinian state. Considering that the impact of such a decision will change the nature of the Jordanian societal mix, Jordan expects to be consulted on the issue of compensation for refugees. Not only does Jordan expect compensation for refugees in exchange for giving up the right of return, but it also expects some sort of compensation for the economic and social impact of Palestinian refugees on Jordan from 1948 to the present.

¶17. (C) On Jerusalem, Jordan sticks by its commitment from the peace treaty with Israel - Jordan will continue what it calls its "custodial role" over the holy places until the Palestinian Authority has the sovereignty and capability to assume that duty. Further down the list of issues to be discussed, security and borders are issues that Khasawneh and Tal see as solved for all intents and purposes. Jordan's western border has been quiet for some time now, and there is little to suggest that anything substantive would change after negotiations conclude. Water is next on the list of priorities for Jordan, especially in light of ongoing Syrian intransigence on flows from the Yarmouk river.

Relations with Syria

¶18. (C) Touching on the King's November 2007 visit to Syria, Khasawneh called it a "very good sign" that Damascus may start to come back into the moderate Arab fold. Judeh hoped that recent developments were pointing to Syria's rejection of "Iranian expansionist dreams." Still, there is "room for optimism, but not much" on the concrete steps that Syria will have to take to demonstrate its commitment to coming in from the diplomatic cold. The recent statement by the Arab League on Lebanon shows that the onus is on Syria to comply with the demands of the international community. On other fronts, Jordanian relations with Syria are mixed. The recent sale of low-cost Syrian wheat to Jordan was a positive development, but issues like water and Jordanian prisoners in Syria remain contentious.

Iraqi Refugees

¶9. (C) On Iraqi refugees, Tal stated that Jordan "wants to provide them with a decent life" within the boundaries of its domestic political limitations. A visa system for Iraqis will "hopefully" be implemented in February, allowing Iraqis to find out if they will be accepted into Jordan before traveling. It will also allow Jordanian consular officers to assess the validity of Iraqi identity documents - forgery being a primary cause of non-acceptance into the country. The government's announcement that S series passports from Iraq would no longer be recognized as valid was probably premature and unworkable in practice. A recent decision granted another stay of six months on that step. Judeh postulated that Iraqis in Jordan "don't want to rock the boat" when it comes to politics, and said that he "anticipated that all of them would return" when Iraq was stable once more.

Nuclear Power

¶10. (C) The discussion with Judeh also touched on Jordan's desire for a peaceful nuclear energy program. Describing it as "the only solution to Jordan's energy problems," Judeh was keen to emphasize that the process would be completely transparent and in line with international standards as set out by the IAEA. The anticipated lifting of oil subsidies has heightened calls for energy independence in Jordan. Judeh echoed a recent Oxford Business Group report which said that for every one dollar rise in the price of oil, there is a twenty-five million dollar impact on Jordan's budget. While the Saudis have "a sympathetic understanding" of Jordan's position, they are still not offering any low-cost oil to deal with the budgetary shortfall.

¶11. (U) Staffdel Diamond was unable to clear this cable before departing from Jordan.

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